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DECISIONS TO PROMOTE THE EFFECTIVE IMPLEMENTATION OF THE CONVENTION

FINANCIAL MECHANISM

Report of the Global Environment Facility to the Conference of the Parties

Note by the secretariat

1. The Conference of the Parties, at its first session (COP 1), by its decision 11/CP.1, provided initial guidance on policies, programme priorities and eligibility criteria to the operating entity or entities of the financial mechanism (FCCC/CP/1995/7/Add.1).

2. At the same session, the COP received and reviewed a report from the Global Environment Facility on the development of an operational strategy and on initial activities in the field of climate change. By its decision 12/CP.1, paragraph 4, the COP invited the GEF in future reports to take fully into account relevant aspects of the modalities for the functioning of operational linkages between the COP and the operating entity or entities of the financial mechanism (FCCC/CP/1995/7/Add.1, section III (a)).

3. The attached report has been submitted by the GEF in response to that decision and the SBI is invited to consider and make recommendations on the report to COP 2. Attention is drawn in particular to paragraph 57 of the report, in which the Council of the GEF has invited the COP to consider using the preparation of the assessment of needs as an opportunity to review the financial mechanism in accordance with decision 9/CP.1, paragraph 2, and to consider, at the earliest possible opportunity, making a determination of the definitive status of the financial mechanism in the context of the Convention.

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4. The report should be seen as an initial implementation of the relevant provisions of the draft Memorandum of Understanding. This synthesis should be read in conjunction with other available GEF documents including the Annual Report and the Quarterly Operational Reports of the GEF.

Annex

GLOBAL ENVIRONMENT FACILITY

Report* of the Global Environment Facility to the Second Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change

June 14, 1996

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I. INTRODUCTION

1. At its meeting in April 1996, the GEF Council approved an approach for reporting to the Conference of the Parties to the U.N. Framework Convention on Climate Change (FCCC) consistent with the guidance of the Convention. This approach is to submit to each Conference of the Parties the most recent *GEF Annual Report* and *Quarterly Operational Report*, together with a report prepared for the Conference of the Parties containing factual up-dates to the two documents and an analysis of GEF activities in the climate change focal area demonstrating how the Convention's guidance has been implemented.

2. The present report has been prepared in response to the request of the Conference of the Parties for the GEF to report on its activities in the climate change area. This document contains the updates and analysis referred to above and it has been approved by the Council for submission to the second session of the Conference of the Parties to the FCCC. It is being submitted with the *GEF Annual Report for 1995* and the most recent *Quarterly Operational Report* (April 1996). Section three of the annual report covers the activities of the GEF in the climate change area for fiscal year 1995 (July 1, 1994, to June 30, 1995). An update of that chapter, covering the period from July 1, 1995 to April 30, 1996, is contained within this report.

II. GEF COUNCIL MEETINGS

3. The Council met three times during the period from July 1, 1995, to April 30, 1996: July 18-20, 1995, October 25-27, 1995, and April 2-4, 1996.

4. During the reporting period, the Council made the following decisions of direct relevance to GEF climate change activities:

(a) Approval of the *GEF Operational Strategy*;

(b) Approval of two work programs, which brings the GEF funding for climate change activities to US$ 215.2 million for the period of February 1995 to April 1996;

(c) Approval of expedited procedures and an initial allocation of US $30 million to support enabling activities in the climate change and biodiversity focal areas;

(d) Approval of a draft memorandum of understanding between the Conference of the Parties to the FCCC and the GEF Council. A draft annex on determination of funding necessary and available for implementation of the Convention was also approved;

(e) Approval of the terms of reference for the Scientific and Technical Advisory Panel (STAP). In reviewing the terms of reference, the Council requested that STAP interact in a collaborative cooperative manner with the scientific and technical bodies of the Conventions. The Council noted that STAP's work should be complementary to, and not duplicative of, the work of the Convention bodies; and

(f) Approval of the GEF policy on public involvement in GEF-financed projects.

III. OPERATIONAL STRATEGY

5. The *GEF Operational Strategy*, which incorporates the guidance of the Conference of the Parties, was developed to guide the GEF in the preparation of country-driven initiatives in its four focal areas, including climate change. Specifically, the chapter concerning climate change activities recognizes that, "...all GEF-funded activities in climate change will be in full conformity with the guidance provided by the Conference of the Parties to the FCCC."

6. The Operational Strategy was prepared on the basis of consultations and preparatory work conducted by the GEF Secretariat and the GEF Implementing Agencies. The secretariat of the FCCC was consulted to ensure that the strategy fully integrates the guidance provided by the Conference of the Parties. During preparation of the Operational Strategy, the GEF requested guidance from the Conference of the Parties regarding the approach to be followed in developing operational programs. In response the Conference of the Parties approved, "...a mixed strategy wherein projects will be selected with a double set of program priorities as described in paragraph 9(c) of the [GEF] report, that is, if they meet either one of the long-term program priorities or one of the short-term program priorities."

7. In accordance with the guidance, the Operational Strategy provides for three categories of activities: (i) operational programs encompassing long-term measures, (ii) enabling activities, and (iii) short-term response measures. Land degradation, primarily desertification and deforestation, as it relates to climate change issues has also been addressed in the strategy for climate change activities.

8. The strategy provides that long-term measures are to be developed within the context of an operational program. An operational program is a conceptual and planning framework for the design, implementation, and coordination of a set of projects to achieve a global environmental objective. It organizes the development of country-driven projects and ensures systemic coordination between the Implementing Agencies and other actors.

9. In the area of climate change, three initial operational programs have been identified: (i) removing barriers to energy conservation and energy efficiency; (ii) promoting the adoption of renewable energy by removing barriers and reducing implementation costs; and (iii) reducing the long-term costs of low greenhouse gas-emitting energy technologies.

IV. PROJECTS IN THE AREA OF CLIMATE CHANGE

10. The Council approved all climate change project proposals included in the two work programs presented to it during the period addressed by this report. In preparing proposals for inclusion in the two work programs, the Implementing Agencies took fully into account the guidance provided by the Conference of the Parties at its first meeting. The views of the Convention secretariat on each project proposal in the climate change focal area were solicited when the project proposals were reviewed at the meetings of the GEF Operations Committee, prior to submission to the Council. A listing of climate change projects is included in Annex A to the report. A fuller description of each project proposal is included in the *Quarterly Operational Report, April 1996.*

11. With regard to activities funded by the GEF outside of the financial mechanism of the FCCC, three project proposals, totalling US$ 14.2 million, relate to activities in countries not eligible for financing under the financial mechanism. Nevertheless, the guidance of the Conference of the Parties has been followed by the Implementing Agencies in preparing the project proposals, and the views of the Convention secretariat were sought on each proposal.

A. Enabling activities and preparation of national communications

12. Decision 11/CP.1 of the first meeting of the Conference of the Parties was the *Initial guidance on policies, programme priorities and eligibility criteria to the operating entity or entities of the financial mechanism*, and it stresses the importance of enabling activities. The GEF Operational Strategy section on climate change provides:

> Enabling activities provide the foundations to address climate change through country-driven activities. They have been defined by the FCCC as "planning and endogenous capacity-building, including institutional strengthening, training, research and education, that will facilitate implementation, in accordance with the Convention, of effective response measures."
>
> *Support For the Preparation of National Communications*
>
> Among the enabling activities, those that are specifically related to countries' obligations concerning national communications under Article 12.1 of the FCCC are eligible for GEF financing on the basis of "agreed full costs." Such enabling activities will result in plans on which the national communications will be based; these plans will serve as the basis for sustainable and effective response measures. The assistance provided under these enabling activities will conform fully to the guidance of the COP with respect to national communications. Because the format for national communications is still under consideration, the content will, for the interim, be based on the provisions of Article 12.1. The GEF has prepared operational criteria to guide the preparation and scheduling of support for these activities to ensure:

(a) coverage without duplication of the efforts of others (including bilaterally financed studies);

(b) appropriate sequencing of the activities;

(c) the use of best practices; and

(d) cost-effectiveness (including use of norms).

13. Among the project proposals in the area of climate change approved by the Council since February 1995, 24 (60 percent) are for enabling activities. Of these, five are regional and global projects focusing on enabling activities in 36 countries. To date, the GEF has financed enabling activity projects in 55 countries (see paragraph 27).

14. At its second meeting, the Subsidiary Body for Implementation (SBI) considered a report on the activities of the GEF. On the basis of its review, the SBI approved the following decision:

> 35. The SBI considered document FCCC/SBI/1996/3 and took note of the information contained therein on relevant action taken by the Council of the Global Environment Facility (GEF), including the adoption by the Council of the GEF of its operational strategy.
>
> 36. In this regard, the SBI concluded that:
>
> (a) The GEF, as the interim operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC), and its implementing agencies should provide expeditious and timely support under Articles 4.3 and 12.5 for the preparation of national communications by developing country Parties in accordance with Article 12.1;
>
> (b) The GEF, as the interim operating entity of the financial mechanism of the UNFCCC, should, in that connection, consider country-specific needs but could also consider approaches which may be used for several countries with similar needs, upon request, and take into account that the preparation of national communications is a continuing process. In this regard, the guidelines to be adopted by the COP on the preparation of national communications by non-Annex I Parties should be taken fully into account;

(c) The GEF, as the interim operating entity of the financial mechanism of the UNFCCC, in this initial period, should implement enabling activities consistent with the guidance provided to it by the COP and expedite the disbursement of resources to meet the agreed full costs of such activities in accordance with Article 4.3, in particular the initial and subsequent preparation of national communications of non-Annex I Parties.

15. In order to expedite preparation and implementation of enabling activities projects, the GEF has taken the following steps:

(a) It has prepared operational criteria for enabling activities related to national communications in the climate change area. These criteria have been developed in consultation with the GEF Implementing Agencies and the UNFCCC secretariat. The criteria recognize that "because the guidelines for national communications by non-Annex I Parties are still under consideration by the Conference of the Parties, the criteria will, for the interim, be based broadly on the requirements of Article 12.1, taking into account the common, but differentiated responsibilities of countries. The criteria will be revised as necessary once the guidelines of non-Annex I Parties have been developed by the Conference of the Parties. Other decisions by the Conference of the Parties, including guidance on enabling activities related to subsequent communications, will similarly be incorporated as necessary;"

(b) It approved an expedited approval process for enabling activity project proposals consistent with the operational criteria. The Council recognized the urgency for implementing these activities in light of their preparatory nature to enable countries to move forward in implementing the Convention;

(c) In April 1996, an initial additional allocation of US$ 30 million was approved to expedite a broad effort of enabling activities that support the climate change and biodiversity conventions; and

(d) The GEF has taken steps to inform eligible countries about the availability of financial resources to assist the implementation of enabling activities (see paragraphs 49 and 50).

B. Implementation of Convention guidance

16. The following summarizes how the financial mechanism has responded to the guidance of the Conference of the Parties as set forth in Decision 11/CP.1, *Initial guidance on policies, programme priorities and eligibility criteria to the operating entity or entities of the financial mechanism.*

1 (a) (i): *Funds allocated to projects/programmes in the least developed countries should be on a grant basis*

17. All GEF project financing to date has been provided on a grant basis. Approved projects have included ten enabling activity components in the least developed countries.**

1 (a) (ii): *Projects funded should be country-driven and in conformity with, and supportive of, national development priorities*

18. Operational Principle Number 4 of the *GEF Operational Strategy* provides, "The GEF will fund projects that are country-driven and based on national priorities designed to support sustainable development, as identified within the context of national programs."

19. The *GEF Project Cycle* provides that the country operational focal point is responsible for reviewing project ideas, endorsing their consistency with respect to national programs, and confirming that project ideas are supportive of national priorities. All project proposals, as well as requests for project preparation funding, submitted for approval need Government endorsement from the given operational focal point.

1 (a) (iii): *For activities involving transfer of technology, the technology should be environmentally sound and adapted to suit local conditions*

20. The *GEF Operational Strategy* provides that GEF-financed activities are to be environmentally, socially and financially sustainable, and not merely more benign forms of current, but unsustainable, activities. In addition, GEF-financed activities are to avoid the transfer of negative environmental impacts. Project designs are to be consistent with the Operational Strategy, as it applies to the other focal areas. They must avoid creating negative impacts in other focal areas.

21. The GEF policy on incremental costs provides that no GEF activity should have a negative domestic environmental impact. If the project proposal contains a component that could have a negative impact, the proposal must also include a component that would mitigate this impact fully.

22. Transfer of technology is a significant factor in GEF-financed climate change activities, particularly those concerned with renewable energy and energy efficiency, such as the Efficient Industrial Boilers project in China, the Solar Thermal-Electric project in India, and the Renewable Energy, Small Power project in Indonesia.

** Benin, Bhutan, Chad, Lao PDR, Maldives, Samoa, Solomon Islands, Sudan, Vanuatu, and Zaire.

1 (a) (iv): *Activities should be cost-effective*

23. A basic operational principle of the Operational Strategy is that the GEF will ensure the cost-effectiveness of its activities to maximize global environmental benefits.

1 (a) (v): *Leverage other funds*

24. Another operational principle provides that in seeking to maximize global environmental benefits, the GEF will catalyze and leverage additional financing from other sources.

25. For the climate change project proposals approved to date, at least US$ 680 million in additional financing has been leveraged, mainly from bilateral donors, the Implementing Agencies, and recipient countries of GEF projects.

1 (a) (vi): *Adequacy and predictability in the flow of funds*

26. This issue has been addressed in the draft annex to the memorandum of understanding concerning the determination of funding necessary and available for implementation of the Convention.

1 (b) Programme Priorities

1 (b) (i): *Priority for agreed full cost and enabling activities*

27. Since its restructuring, the GEF has financed 24 projects that will contribute to countries' abilities to prepare first national communications to the Conference of the Parties. In most instances, these projects will pay the full costs of preparing national communications. In other cases, financial support provided by the GEF will complement support from other resources to meet the full costs of communications. These 24 projects will provide assistance to 55 countries. In addition, GEF funded projects in its Pilot Phase are currently providing assistance to 20 more countries. In total, US$53 million has been provided by the GEF to support 75 countries in preparing part or all of their first national communications to the Conference of the Parties.

28. In addition, the Council recently approved an initial allocation of funds, as well as an approach for expedited approval of enabling activities, to help countries party to the Convention to meet, as appropriate, the Convention's deadline for national communications and planning exercises.

29. As requested by the GEF Council, the GEF is acting proactively to inform eligible countries of the availability of financial support for preparing national communications (see paragraphs 49 and 50).

1 (b) (ii): *Activities aimed at strengthening research and technological capabilities for the implementation of the Convention through international and intergovernmental efforts*

30. Some of the enabling activities projects support research and technological capabilities, such as those for Brazil and Mexico. Some of the global projects have a strong research component (for example, the Country Case Studies on Impacts and Adaptation, Economics of GHG Limitation, and Alternatives to Slash and Burn.)

31. Future targeted research activities must be developed within the context of the long-term operational programs identified in the Operational Strategy.

1 (b) (iii): *Improving public awareness and education on climate change and response measures*

32. The operational criteria for enabling activities provide for activities, as well as funding, for building public awareness.

1 (b) (iv): *Formulation of comprehensive, nationally determined programmes to address climate change*

33. Included in the preparation of enabling activities for national communication is the preparation of a national plan to fulfil commitments under the Convention.

1 (b) (v): *Be available to support national programmes*

34. As noted above, a basic GEF operational principle is to fund projects that are country-driven, based on national priorities, and are designed to support sustainable development, as identified within the context of national programs.

1 (b) (vi): *Support of agreed activities to mitigate climate change*

35. The largest amount of funding to date in the climate change focal area has been directed to agreed activities that mitigate climate change either by addressing anthropogenic emissions by sources or through removals by sinks of all greenhouse gases not controlled by the Montreal Protocol. By emphasizing long-term mitigation measures, the initial reductions of greenhouse gas emissions will be less than those resulting from a strategy exclusively focused on short-term measures. However, the cumulative long-term impact is expected to be much greater because the projects will drive down costs, build capacity, and start to put in place technologies that can ultimately avoid (rather than merely reduce) greenhouse gas emissions (see paragraph 41 below).

1 (c) Eligibility Criteria

1 (c) (i): *Eligibility of countries*

36. GEF grants made available within the framework of the financial mechanism of the Convention conform with the eligibility criteria set forth by the Conference of the Parties. The criteria provide that only developing country parties are eligible to receive funding from the GEF under the financial mechanism.

1 (c) (ii): *Eligibility of Activities*

37. The guidance of the Conference of the Parties concerning eligibility of activities is strictly followed. Even when the GEF provides assistance to countries outside the Convention's financial mechanism, it ensures that the activities are fully consistent with the guidance provided by the Conference of the Parties.

1 (d) Adaptation

1 (d) (iv): *GEF will meet the agreed full costs of Stage I adaptation activities*

38. The operational criteria for developing enabling activities projects allow for vulnerability assessments in agriculture, forestry, coastal zones, water resources, health and natural ecosystems as components of national communications. Additionally, the GEF has financed, on an agreed full cost basis, several enabling activities projects that emphasize Stage I adaptation activities. Examples include, the Maldives project, the regional PICCAP and CARICOM projects, the Global CC: TRAIN Programme and UNEP's Country Case Studies on Impacts and Adaptation.

39. In addition, the GEF Operational Strategy on climate change further defines Stage I adaptation activities (page 39).

1 (e) Agreed full incremental costs: *The concept of agreed full incremental costs should be applied flexibly, pragmatically, and on a case-by-case basis*

40. While approving the approach on incremental costs, the GEF Council recognized the need for a flexible application of the concept of incremental costs. The application of the concept in GEF operations has been both pragmatic and on a case-by-case basis.

Decision 12/CP.1: *Adopts a mixed strategy wherein projects will be selected if they meet either one of long-term or short-term programme priorities*

41. The *GEF Operational Strategy* provides that GEF operations will be programmed in three broad, interrelated categories: long-term operational programs, enabling activities, and short-term response measures. These three categories follow the guidance of the Conference

of the Parties. The strategy also provides that in view of GEF's limited resources and the finite capacities of recipient countries and Implementing Agencies to program activities at any given time, the GEF must structure and sequence activities to best achieve global environmental objectives. The sequencing of GEF tasks will be a dynamic process, shaped in part by the evolving nature of guidance from the relevant Conventions and the increased capacity for program development.

42. Annex A, Table 1, shows that the climate change portfolio consists of projects that fall under the evolving long-term operational programs. It also shows that the portfolio includes enabling activities and short-term operational measures.

V. PROJECT DEVELOPMENT AND PREPARATION FACILITY

43. The Project Development and Preparation Facility (PDF) provides GEF financing for preparing project proposals. During the reporting period, 24 PDF proposals have been approved in the climate change area, totalling US$ 3.8 million. A list of approved PDF resources is contained in Annex B to this report. An analysis of the GEF pipeline suggests that a large number of PDF-funded proposals mature into full projects. It is estimated that the US$3.8 million allocated to the PDF should result in around US$ 120 million of GEF investments.

VI. MEMORANDUM OF UNDERSTANDING

44. At the first meeting of the SBI in August 1995, the Body adopted a decision under its agenda item "Matters relating to the financial mechanism." The operative paragraphs of the decision state that the SBI:

> 1. *Recommends* that the Conference of the Parties adopt the draft decision below and the draft Memorandum of Understanding annexed thereto, subject to the necessary editorial adjustments;
>
> 2. *Requests* the secretariats of the Convention and the Global Environment Facility to elaborate jointly the annex to the Memorandum of Understanding on procedures to facilitate the joint determination in a predictable and identifiable manner of the amount of funding necessary and available for the implementation of the Convention and the conditions under which that amount shall be periodically reviewed, as referred to in paragraph 9 of the Memorandum;
>
> 3. *Decides* to consider the above-mentioned annex after its adoption by the Council of the Global Environment Facility and prior to its adoption by the Conference of the Parties.

45. In accordance with the decision, the secretariats of the FCCC and the GEF prepared a draft annex to the draft Memorandum of Understanding regarding procedures to facilitate the joint determination of funding necessary and available for the implementation of the Convention. The Council reviewed the draft prepared by the two secretariats. The draft annex approved by the Council has been submitted to the Convention secretariat for transmittal to the SBI and the second session of the Conference of the Parties.

VII. INTERSECRETARIAT COLLABORATION

46. The FCCC secretariat and GEF Secretariat continue to collaborate closely. This has greatly facilitated the work of both the Conference of the Parties to the Convention and the GEF Council. As noted in paragraph 45, the secretariats of the FCCC and the GEF prepared a draft annex to the draft Memorandum of Understanding on procedures to facilitate the joint determination. With regard to GEF projects, the view of the FCCC secretariat has been sought for each project proposal in the area of climate change.

47. As provided in their respective rules of procedure, the secretariat of the Convention has been represented at each Council meeting by the Executive Secretary or his representative. They addressed each meeting and responded to Council Members' questions. The FCCC secretariat and SBSTA representatives have been represented in relevant meetings of STAP and the secretariat participates in meetings of the GEF Operations Committee. The GEF Secretariat participated in the meetings of the Subsidiary Body for Scientific and Technical Advice (SBSTA) and the SBI in August 1995 and March 1996 and addressed the first meeting of the Conference of the Parties.

VIII. ISSUES TO BE CONSIDERED BY THE CONFERENCE OF THE PARTIES

48. The Council would like to draw the attention of the Conference of the Parties to two issues: (A) national communications; and (B) replenishment of the GEF.

A. National Communications

49. As noted in paragraph 4(c), the GEF Council has approved an allocation of funds for enabling activities together with expedited procedures for approving project proposals. In this regard, the Council also requested the GEF Secretariat to coordinate, in consultation with the Implementing Agencies and the Convention secretariat, an outreach process to inform recipient countries of the availability of resources for enabling activities. The Council also asked the Secretariat to assess the requests for financial assistance within the next two to three months.

50. Pursuant to this request, the GEF Secretariat has informed the GEF operational focal points in eligible recipient countries of the Council's decision and of the availability of financial assistance for purposes of enabling activities, and in particular, the preparation of

national communications in accordance with Article 12 of the Convention. A copy of the correspondence on this matter will also be distributed to delegations at the second session of the Conference of the Parties.

51. The Conference of the Parties is called upon to assist in this matter by encouraging all Parties that are interested in receiving assistance for enabling activities through the GEF to respond to this outreach effort as early as possible and to collaborate with the GEF Implementing Agencies in preparing and implementing country-specific enabling activity projects.

B. Replenishment of the GEF

52. In 1997, the first GEF Assembly, a universal gathering of the GEF Participating countries, will be held to review its operations and policies. 1997 will also mark the beginning of negotiations on the next replenishment of the GEF.

53. The GEF Council at its April 1996 meeting has expressed support for sustainable growth of GEF's operational outputs and the delivery of high quality projects consistent with the *GEF Operational Strategy*.

54. Article 7, paragraph 2(h) of the Convention provides that the Conference of the Parties shall seek to mobilize financial resources in accordance with Article 4, paragraphs 3, 4, and 5, and Article 11 of the Convention. Furthermore, in accordance with the annex to the proposed Memorandum of Understanding on the determination of funding necessary and available for implementation of the Convention, the Conference of the Parties is to make, in anticipation of a replenishment of the GEF, an assessment of the amount of funds that are necessary to assist developing countries, in accordance with the guidance provided by the Conference of the Parties, in fulfilling their commitments under the Convention over the next GEF replenishment cycle.

55. As provided in Decision 9/CP.1 of the first session of the Conference of the Parties, the GEF was requested to continue, on an interim basis, as the international entity entrusted with the operation of the financial mechanism referred to in Article 11 of the Convention. Furthermore, the Parties decided, in accordance with Article 11.4, to review the financial mechanism within four years and to take appropriate measures, including a determination of the definitive status of the GEF in the context of the Convention.

56. With the consolidation of its institutional and policy frameworks, including the adoption of the *GEF Operational Strategy* in October 1995, and with other Council decisions concerning efficiency, streamlining of procedures, and project financing, the restructured GEF has become fully operational. As a result of the restructuring of the GEF at the end of its pilot phase together with the proposed Memorandum of Understanding that is before the second session of the Conference of the Parties, the GEF has demonstrated that it institutionally complies with the provisions of Article 11 of the Convention. Furthermore, it is

evident from the operational information before this meeting that the GEF has been fully responsive to the guidance of the Convention.

57. The Conference of the Parties is invited to consider using the preparation of the assessment of needs as an opportunity to review the financial mechanism in accordance with decision 9/CP.1, paragraph 2, and to consider, at the earliest possible opportunity, making a determination of the definitive status of the financial mechanism in the context of the Convention.

Annex A - Climate Change Projects* - April 1996 *(in Millions of U.S. Dollars)*

Argentina	Country Study on Climate Change	$1.00
Armenia	Country Study on Climate Change	$0.35
Bhutan	GHG Enabling	$0.30
Botswana	Enabling Botswana to Fulfil Its Commitments to the UN Framework Convention on Climate Change	$0.35
Brazil	Biomass Power Generation Sugar Cane bagasse and Trash	$3.75
Brazil	Enabling Activities	$1.50
China	Efficient Industrial Boilers	$32.80
China	Energy Conservation and Pollution Control in Town and Village Enterprises	$1.00
China	Promoting Methane Recovery and Utilization from Mixed Municipal Waste	$5.25
Costa Rica	Building National Technical Capacity to Develop Options for Greenhouse Gas Emissions Reductions and Enhancement of Carbon Sinks	$0.47
Egypt	Building Capacity for GHG Inventory and Action Plans in Egypt in Response to UNFCCC Communications Obligation	$0.40
Global	Alternatives to Slash & Burn Agriculture (ASB), Phase II	$3.00
Global	CC:TRAIN Phase Two--Training Programme to Support the Implementation of the UNFCCC	$2.70
Global (Antigua, Barbuda, Estonia, Cameroon, Pakistan)	Country Case Studies on Climate Change Impacts and Adaptations Assessment - Phase I	$2.00
Global (Argentina, Ecuador, Estonia, Hungary, Indonesia, Mauritius, Senegal, Vietnam)	Economics of GHG Limitation - Phase I	$3.00
Global	Renewable Energy and Energy Efficiency Fund	$30.00
Hungary	Energy-Efficiency Co-Financing Fund	$5.00
India	Solar Thermal-Electric	$49.00

Annex A - Climate Change Projects* - April 1996 *(in Millions of U.S. Dollars)*

Indonesia	Renewable Energy Small Power (RESP)	$6.00
Indonesia	Solar Home Systems (SHS)	$24.30
Jordan	Capacity Building to Enable Response to the UNFCCC	$0.24
Jordan	Reduction of Methane Emissions and Utilization of Municipal Waste for Energy in Amman	$2.50
Lao PDR	National Greenhouse Gas Inventory Project	$0.31
Lebanon	Building Capacity for GHG Inventory and Action Plans in Response to UNFCCC Communications Obligations	$0.30
Lithuania	Klaipeda Geothermal Demonstration	$6.90
Malaysia	National Greenhouse Gas Inventory and Response to the United Nations Framework Convention on Climate Change	$0.47
Maldives	National GHG Inventory and Adaptation Assessment to Climate Change	$1.00
Mexico	Development of GHG Emission Coefficients from Live Systems in Central Mexico and Development of a Related Information Management System	$0.31
Papua New Guinea	Papua New Guinea GHG Enabling Activity	$0.35
Regional Cook Island, Fed.States of Micronesia, Nauru, Solomon Islands, Tuvalu, Vanuatu & Western Samoa	Pacific Island Climate Change Assistance Project (PICCAP)	$2.44
Regional (CARICOM)	Planning for Adaptation to Climate Change	$6.50
Romania	Capacity Building for GHG Emissions Reduction through Energy Efficiency	$2.27
Senegal	Sustainable and Participatory Energy Management	$4.70
Sri Lanka	Energy Services Delivery	$7.30
Sri Lanka	Renewable Energy and Capacity Building	$1.45
Sudan	Capacity Building to Enable the Sudan's Response and Communications to the UNFCCC	$0.29

Annex A - Climate Change Projects* - April 1996 *(in Millions of U.S. Dollars)*

Tunisia	GHG Inventory: National Strategy and Action Plans for Emission Reduction and Communications under the UNFCCC	$0.57
Uruguay	Institutional Strengthening and Enabling Activities to Comply with the UN Framework Convention on Climate Change	$0.70
Uzbekistan	Country Study on Climate Change	$0.33
Zaire	Enabling Zaire to Fulfil Its Commitments to the UNFCCC	$0.35
TOTAL		**$211.44**

* This information does not include projects approved during the GEF Pilot Phase. For a complete listing of all Climate Change projects financed under the GEF see the Quarterly Operational Report, April 1996.

Climate Change GEF Portfolio*

Annex A Table 1

		Long-term Activities						Short-term Activities	
Enabling Activities in Support of National Communication	Amount	Energy Cons. and Energy Efficiency	Amount	Renewable energy	Amount	Low greenhouse gas-emitting energy tech.	Amount		
Armenia	$0.35	China: Eff. I.B.	$32.80	Brazil: Biomas	$3.75	India:Solar Thermal Elec.	$49.00	Senegal Carbon	$4.70
Argentina	$1.00	China: TVE	$1.00	China: MSW	$5.25			Global: ASB	$3.00
Bhutan	$0.30			Indonesia: RESP	$6.00				
Botswana	$0.35			Indonesia: SHS	$24.30				
Brazil	$1.50			Jordan: MSW	$2.50				
Costa Rica	$0.47			Sri Lanka: ESD	$7.30				
Egypt	$0.40			Sri Lanka: RE	$1.45				
Jordan	$0.24			Global: REEF	$30.00				
Lao PDR	$0.31								
Lebanon	$0.30								
Malaysia	$0.47								
Maldives	$1.00								
Mexico	$0.31								
Papua New Guinea	$0.35								
Sudan	$0.29								
Tunisia	$0.57								
Uruguay	$0.70								
Uzbekistan	$0.33	**TOTAL**	**$33.80**		**$80.55**		**$49.00**		$7.70
Zaire	$0.35								
Global: CC:Train	$2.70								
Global: Riso	$3.00								
Global: UNEP-CCS	$2.00								
Regional: Caricom	$6.50								
Regional: Piccap	$2.44								
Total	**$26.23**								

		Long-term Activities						Short-term Activities	
Enabling Activities in Support of National Communication	Amount	Energy Cons. and Energy Efficiency	Amount	Renewable energy	Amount	Low greenhouse gas-emitting energy tech.	Amount		
Outside Financial Mechanism									
		Hungary: IFC	$5.00	Lithuania: Geoth.	$6.90				
		Romania	$2.27						
			$7.27		**$6.90**				
			$41.07		**$87.45**				
GRAND TOTAL						**$211.45**			

* This information does not include projects approved ruing the GEF pilot phase

Annex B - Climate Change PDFs - April 1996

14-Jun-96

Country	Project Name	Amount (U.S. $)
Argentina	Renewable Energy	120,000
Argentina	Gas Flaring Reduction	10,000
Armenia	Country Study on Climate Change	10,000
Bhutan	National GHG Inventory and Adaptation Assessment	10,400
Bolivia	Flared Gas Utilization and Reduction Study	25,000
Bolivia	Rural Electrification with Renewable Energy	237,000
Cameroon	Regional Environmental Information Project	25,000
Caribbean	Renewable Energy Project	25,000
China	Energy Conservation	350,000
China	Renewable Energy	140,000
China	Efficient Industrial Boilers	746,000
Colombia	Colombia: LPG/GNG Fuel Switching in Vehicles	25,000
Continental Africa	An Integrated Strategy for Promoting Sustainable	25,000
Cuba	Sugarcane Biomass	350,000
Ghana	Renewable Energy-based Electricity for Rural Social and Economic Development	59,000
Global	Stakeholders Consultations in Six Countries for the Photovoltain Market Transformation Initiative	50,000
India	Solar Thermal Power Project	750,000
India	Biomass Energy for rural India	200,000
Niger, Senegal, Mali, Burkina Faso	Carbon Fixation and Measures Against Desertification and Fragile Desert Margins	25,000
Regional	CARICOM	310,000
Sri Lanka	Capacity Building for Renewable Energy Efficiency	18,000

Country	Project Name	Amount (U.S. $)
Sri Lanka	Renewable Energy/DSM	200,000
Sudan	Sudan-Utilization of Photovoltaic Systems	25,000
Sudan	National Capacity Building to Enable the Government of Sudan to Respond to its Communications Obligations under the UNFCCC	20,000
	Total:	**3 755,400**

Annex B Table 2

PDF - Climate Change* (in US$ thousand)									
Enabling Activities			**Long-term Activities**					**Short-term Activities**	
	Amount	**Energy Cons. and Energy Effici.**	**Amount**	**Renewable energy**	**Amount**	**Low greenhouse gas-emitting energy tech.**	**Amount**		
Armenia	$10.0	China: Eff. B.	$746.0	Argentina: Elec.	$120.0	India: STE	$750.0	Argentina: GFR	$10.0
Bhutan	$10.4	China: Escos.	$350.0	Bolivia: Rural El.	$237.5			Bolivia: Flare	$25.0
Sudan	$20.0	Sri Lanka	$200.0	China: REP.	$140.0			Cameroon: For.	$25.0
Regional: Africa	$25.0			Cuba: Sugar	$350.0			Colombia: LPG	$25.0
Regional: Caricom	$310.0			Ghana: Ren.	$59.0			Regional: Cfix	$25.0
				India: Sutra	$200.0				
				Sri Lanka: Ren.	$18.0				
				Sudan: PV	$25.0				
				Regional: Carib. RE	$25.0				
				Global: PVMTI	$50.0				
Total	**$375.4**		**$1 296.0**		**$1 224.5**		**$750.0**		**$110.0**
GRAND TOTAL						**$3 755.9**			

* PDF allocations approved during period March 1995 - April 1996.